



June 1, 2012

Mr. Nathan Johnson
Medicaid Policy Manager
Washington Health Care Authority
Health Care Policy Division
626 8th Avenue SE
P.O. Box 45502
Olympia, WA 98504-5502

Re: Mitigating Insurance Affordability Program Eligibility Churn

Dear Mr. Johnson:

On behalf of Amerigroup, thank you for the opportunity to share our thoughts on options for mitigating churn (i.e., frequent program eligibility shifts due to income fluctuations). Amerigroup is committed to constructive engagement of the Health Benefit Exchange (HBE) policy development and design process in Washington, and we appreciate the State's dedication to meaningful stakeholder involvement while preparing for health reform implementation.

In response to the Institute for Health Policy Solutions' (IHPS) presentation on churn policy options, and to our subsequent conversation with the Health Care Policy Division, we are sharing our current thinking on assuring continuity of coverage and care for low- to moderate-income individuals and families. I look forward to further discussing these and other critical policy considerations as Amerigroup and the state of Washington collaborate to meet the challenges and opportunities presented by the Affordable Care Act (ACA).

Guiding Principles for Policy Consideration

Amerigroup considers the negative implications of churn to be a top, if not our primary, policy concern related to HBE development and implementation. We believe it is imperative for the State, supported by its Medicaid health plan partners (including Amerigroup), to ensure access to affordable, appropriate coverage for low-income individuals and families as they churn between Medicaid, HBE and other insurance affordability programs.

We emphasize the critical role of Medicaid health plans in achieving this goal; in particular, the churn population will inherently consist of current and future Medicaid beneficiaries to whom we specialize in providing coverage, care and support services. In fact, research has shown that following full implementation of the ACA half of the adult population with family incomes under 200 percent of the federal poverty level will churn from Medicaid to HBE coverage, or from HBE to Medicaid, over the

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course of a year¹. Avoiding coverage gaps for this population in order to mitigate costly, and potentially dangerous, care disruptions will be vital to both the success of the HBE and the effectiveness of the Medicaid program in Washington.

Amerigroup is encouraged by the State's recognition that mitigating the risks associated with churn is a critical priority. We offer for consideration, the following principles that could guide the State on how to mitigate the negative consequences of churn:

- Above all, any policy approach should promote continuity of coverage and care delivered in a manner capable of addressing the often unique needs of underserved and financially vulnerable individuals
- The maintenance of quality, consistency and appropriateness in coverage and care should be prioritized and weighted as highly as continuity
- Preference should be given to churn mitigation strategies that present the lightest lift in terms of new or increased oversight responsibilities for the State, new or increased compliance requirements for plans, and additional costs for both
- To the extent possible, the State should pursue a streamlined process that reduces access barriers and obstacles – such as administrative complexity or process inefficiencies – to the facilitation of an easy, uniformly clear path to coverage for individuals
- The adopted approach should strengthen, or at least minimally disrupt, the Medicaid program, existing contractual arrangements (i.e., between the state and health plans, or health plans and providers), and care relationships (i.e., between health plans and members, or patients and providers)

Leveraging Existing Resources to Ensure Continuity of Coverage and Care

To achieve these policy goals, Amerigroup suggests the State build upon available resources by leveraging the infrastructure of the Medicaid managed care program. Through the utilization of Medicaid health plans on both sides of the Medicaid-HBE eligibility threshold, the State could maximize the efficacy of the extensive, recently completed Medicaid health plan evaluation and contracting process. The State can capitalize on health plan experience in covering low-income individuals and relationships with providers – such as safety net and critical access hospitals – that specialize in delivering care to this population. Additionally, this may represent the least disruptive approach in terms of maintaining current program standards and may strengthen ongoing state initiatives (e.g., the development of medical homes).

Medicaid health plans are the best-equipped, most capable entities for providing coverage to mitigate the negative impacts of churn due to Medicaid health plan:

- Knowledge of, and experience with, the particular demographic characteristics of the affected population and, the familiarity and comfort that many in this population have with Medicaid health plans
- Provider networks, which are specifically developed and contracted to meet the care patterns and service requirements of this population through the utilization of community-based providers (e.g., federally qualified health centers, regional health centers, safety net and critical access hospitals)

1. Benjamin D. Sommers and Sara Rosenbaum, "Issues in Health Reform: How Changes in Eligibility May Move Millions Back and Forth Between Medicaid and Insurance Exchanges" *Health Affairs* 30, no. 2 (2011): 229-36.

- Care management programs and services in place and targeted to address medical conditions prevalent within this population
- Member support and customer service infrastructure, which is reflective and responsive to the needs and cultural diversity of this population

To take advantage of these capabilities, the State should endeavor to facilitate Medicaid health plan participation in the HBE for those plans willing and able to provide coverage by offering Qualified Health Plans (QHPs). Amerigroup believes this is the most effective and streamlined mechanism for mitigating the negative impacts of churn. In pursuit of this approach, the State should adopt HBE policies aligning Medicaid and the HBE, particularly in relation to benefits (i.e., essential health benefits and Medicaid benchmark coverage), to the greatest extent feasible.

In order to ensure this approach is optimally effective in promoting continuity of coverage and care, we recommend the State consider the use of a passive enrollment policy to reduce the disruptiveness of eligibility transitions. This would involve a process in which individuals – who, after enrollment in a QHP, are determined eligible subsequently for Medicaid – could be automatically transitioned into the same carrier’s Medicaid product, if the QHP also operates a Medicaid health plan. To maintain consumer choice, an opt-out provision could be included in this coverage transition policy. This would help avoid potential coverage disruptions, mitigate discontinuity of care issues, and reduce administrative burdens for states, health plans and, most importantly, consumers.

As outlined in the IHPS presentation, this approach could be augmented by allowing Medicaid health plans in the HBE to specialize in providing coverage to the likely churn-affected population (i.e., 200 percent or 250 percent of the FPL and below) in order to focus on offering affordable coverage tailored to this population’s needs. We have discussed similar concepts with other state partners; we look forward to further examination of this potential approach with Washington. We would like to highlight the challenge of achieving provider acceptance of Medicaid, or near Medicaid, rates, which we encourage the State to consider actively promoting and/or facilitating given its inherent interest in protecting member access to affordable coverage and ensuring program viability.

Amerigroup also supports State consideration (or, would like to discuss the details and potential implications of) the following policies and issues:

- 12-month continuous eligibility in Medicaid and other insurance affordability programs
- Establishment of a new Basic Health Program, or BHP-similar program, in Washington
- Development of the Medicaid Benchmark Benefits package
- The impact of potential continuity products (i.e., both upward and downward coverage) on risk adjustment
- Impact of potential continuity products on quality measurement, reporting and plan rating (for both Medicaid and the HBE)
- Specifics of eligibility redeterminations (e.g., operational responsibilities, data flows and frequency)
- Details of assumed differentiated enrollment procedures for potential continuity products

Regardless of the approach the State ultimately decides to take in addressing the issues related to churn, Amerigroup is eager to utilize our expertise in addressing the health care needs of low-income individuals and working with states to successfully navigate these challenges.

On behalf of Amerigroup Washington Inc. and Amerigroup Corporation, thank you again for the opportunity to share our perspective on churn mitigation. If you should have any questions or would like more information, please do not hesitate to contact me. My direct telephone number is 206-674-4468 or you can contact me by e-mail at rosa.cozad@amerigroup.com.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Rosa M. Cozad', with a long horizontal flourish extending to the right.

Rosa M. Cozad
Chief Executive Officer
Amerigroup Washington Inc.